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March 8, 2012

VIA ELECTRONIC-DELIVERY

The Honorable Jocelyn G. Boyd
Chief Clerk & Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

Re: Joint Petition of Palmetto Electric Cooperative, Incorporated and South Carolina Electric & Gas Company for the Assignment and Reassignment of Territory in Beaufort County
Docket No. 2012-100-E

Dear Ms. Boyd,

The purpose of this letter is to inform the Public Service Commission ("Commission") that the Office of Regulatory Staff ("ORS") has reviewed the above referenced filing ("Petition") requested by Palmetto Electric Cooperative, Inc. ("Palmetto") and South Carolina Electric & Gas Company ("SCE&G") for the assignment and reassignment of territory in Beaufort County. Additionally, this matter was discussed with SCE&G personnel.

Under S.C. Code Ann. §58-27-650(A) (Supp. 2011), the Commission may reassign a portion of previously assigned service areas upon agreement of the affected electric suppliers. The Petition includes the request to reassign 46.35 acres from Palmetto to SCE&G. The Petition states that there are no facilities or customers of Palmetto in this area for which Palmetto and SCE&G are requesting reassignment. The Petition also includes the request to reassign 6.121 acres from SCE&G to Palmetto. Additionally, the Petition includes the request to assign 42.288 acres of previously unassigned territory to SCE&G and 31.137 acres of previously unassigned territory to Palmetto. The Petition asserts that there are no customers of SCE&G in these areas for which Palmetto and SCE&G are requesting assignment or reassignment.

Palmetto and SCE&G state that no facilities or territory of any electric suppliers other than Palmetto and SCE&G will be affected by the changes that Palmetto and SCE&G are requesting in their Petition. Finally, the Petition asserts that the assignment or reassignment of

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these territories will assist in avoiding duplication of utility facilities. Based on discussions with SCE&G personnel and the information reviewed, ORS does not have an objection to the Petition as set forth by Palmetto and SCE&G.

Thank you for the opportunity to provide our comments in this matter.

Sincerely,



John W. Flitter

JWF/msh

cc: Dan F. Arnett, Chief of Staff, SC ORS
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